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COUNTRY Hungary

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SUBJECT Status of Zoltan Vas

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1. [REDACTED] Zoltan Vas was in an extremely critical position during the late summer and fall of 1948. Hungarian Communists accused him of having accumulated enormous private properties through the abuse of his official post and authority. They also accused him of "dangerous deviation" from the principles and practices of Communism while regulating the development of Hungary's economic system.
2. After a several weeks long investigation by a joint committee of Soviet and Hungarian Communists, Vas was summoned to Moscow. There he succeeded in proving that he had no considerable private property and that the deviations he was charged with were necessitated by the requirements of the reconstruction of the Hungarian economy devastated by the war. In his defense he was supported by Matyas Rakosi and Erno Gero as against Laszlo Rajk, who charged Vas with having imperiled the prospects of nationalization by the encouragement and concessions he made to the capitalists.
3. The charges against Vas were dismissed and he was permitted to resume his post. However, his position was seriously weakened; his influence is no longer so decisive, and several of his responsibilities were turned over to Istvan Kossa, Minister of Industry, and to Erno Gero, Minister of Finance.

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